

ENTENTE WILL CONSIDER REPLY TO BOLSHEVIKI

PEACE MOVE
MAKES CRISIS

English Press Says Allies Are Exchanging Views as to Serious Reply

London, Jan. 1.—The British government recognizes that the Brest Litovsk peace proposals constitute a grave and new fact of which official cognizance must be taken, says the Daily Chronicle in reporting, as did the Manchester Guardian yesterday, that the British government intends to return a serious and reasonable reply to the Austro-German peace terms when presented officially. The Chronicle adds that the United States, Great Britain, France and Italy already are exchanging views concerning the peace proposals. The reported visit of Premier Lloyd George to Premier Clemenceau, it declares, is an intelligent anticipation which may or may not be realized.

ARTILLERY ACTIONS
REPORTED LIVELY

Fire on Belgian Front Weak. Raiding Parties South of Dixmude Repulsed.

Paris, Dec. 31.—The war office issued the following official statement tonight:

The day was marked only by lively artillery actions in the region of Monts in Champagne and in the sector of Benzonvaux, on the right bank of the Meuse.

Belgian communication: "There has been weak artillery activity on the Belgian front during the last forty-eight hours. On the afternoon of the 31st the bombardment was rather intense just south of Dixmude. Enemy raiding parties attempted during the night of the 30th-31st to raid some of our advanced posts south of Dixmude, but was repulsed by our fire."

Army of the east, Dec. 30: There were artillery actions in the region of Lake Dourain, where British raiding parties were repulsed. On the 31st, there were attacks on enemy positions, and northeast of Monastir, where the enemy bombarded our trenches on a front of six kilometers. French aviators dropped bombs on the railroad station at Mrazetel, three kilometers north of Ghivishell.

ASKING WHY PRICE
SHOES TOOK LEAP

Hides and Leather Added to List Necessities Investigated by U. S. Trade Commission.

Washington, Jan. 1.—Hides and leather today were added to the list of necessities under investigation by the federal trade commission, to determine why the price of shoes is "exceedingly high" while unusually large stocks of raw materials are alleged to be held in storage.

Inquiry is to be made promptly to ascertain the reasonableness of the profits being made by all persons handling leather articles. It is expected that investigation will commence at the source and after threshing out the prices received by the packers for the raw hides, will go into the expenses of tanning, manufacture and even distribution.

Had Personal Information.

Information obtained by the commission's investigators in obtaining data on which government contracts are based is said to have been responsible for the decision to make official record of all the details of the hide and leather industry. Indication that the commission also may have obtained information personally on the cost of shoes was seen in the resolution authorizing the investigation, which recites that it has been "common experience that exceedingly high prices are now charged for shoes, which are a prime necessity of life, and for leather products generally; and

"Whereas, it is alleged that unusually large stocks of hides and of leather are now on hand and that tanneries, leather factories and shoe factories are operating far short of their capacity; and

"Whereas, it is in the public interest to promptly ascertain the fact as to the reasonableness of the present prices of hides, leather, shoes and other important leather products and as to the reasonableness of the profit being made in their production and distribution;

Make Further Inquiry.

"Resolved, That the federal trade commission make an investigation of the above matter, not duplicating the data already being gathered in connection with the meat investigation and not duplicating any data being gathered by the war trade board or other departments of the government.

"That the necessary additional force be employed to promptly carry on this work.

"That necessary arrangements be made with the president for funds to meet the expenses of this investigation, and

"That the advisory economic board be directed to promptly submit a plan and estimate of expense and recommendations as to men for this investigation."

SURRENDER OF FIRST HUN SUBMARINE PRISONERS TO U.S. DESTROYER



This picture shows the crew of a German U-boat, lined up on the U-boat's deck, surrendering to the United States torpedo boat destroyer Fanning. The destroyer Nicholson aided in the capture. The men shown in this picture in the act of surrender are the first German submarine prisoners taken by American forces. Receipt of the picture in this country was coincident with the arrival of the first details of the capture, which were printed in The News Saturday afternoon, Dec. 29. The submarine's sailors are shown walking down the deck of the submarine to the dory which went over from the Fanning, into which the prisoner's were transferred. The photo was taken by a member of the American destroyer's crew, and is copyrighted by the committee on public information.

DANGER SEPARATE RUSSO-GERMAN
PEACE NOT REALIZED IN ENGLAND

Petrograd Correspondent Urges Allies to Make Peace Terms—Consummation Enemy's Victory for Militarists and Defeat for Democracy.

London, Jan. 1.—The Petrograd correspondent of the Daily News wonders whether the danger of a separate peace is realized in England. He says it would be a defeat for German democracy, in addition to assuring the vital enslavement of Russia, as it would be a victory for the military caste in Germany.

"It may mean," he adds, "much more than Russia's neutrality. If we make no move, it seems possible that the Germans will ask the Russians to help them in enforcing Russian peace terms on the entente allies. Trotsky is well aware of the danger, though faced with the necessity of concluding peace, and is doing his utmost to stimulate a revolution in Germany. Fraternization at the front already has passed beyond control of enemy officers, and enormous quantities of revolutionary newspapers printed in Germany are being distributed.

Take Powerful Hand.

"I am convinced our only chance in defeating German designs is to publish terms as near the Russian terms as possible, and by taking a powerful hand in the proposed conference, help the democratic movement in Germany."

JAPAN NEGOTIATING ADVANCE TO CHINA

Ten Million Pounds Proposed for Improving Status of Bank of China.

Peking, Dec. 31.—The Associated Press is informed officially that Japan is negotiating an advance to China of 10,000,000 pounds for the purpose of improving the status of the Bank of China. The negotiations are being carried on with the knowledge of the American, British, French and Russian banking groups in the syndicate which, with Japanese and German representatives, was formed before the war to finance China. The terms will be similar to the previous Japanese advances under the conditions of the reorganization loan, but the other banking groups will take no part in it, on account of the refusal of their governments to permit the sending of bullion to China.

Japan will loan the money with the object of exercising control over the currency reform. The Japanese notifies the other banking groups that unless they were willing to participate in the loan it would be negotiated by the Japanese interests.

REICHSTAG FACTION IN APPROVAL PEACE TERMS

Rotterdam, Jan. 1.—Mathias Erbeberger, of the clerical party; Friedrich Elbert, of the socialist party, and Herr Fischbeck, of the progressives, have informed the Berlin correspondent of the Nieuwe Rotterdamse Courant that the German declaration at Brest-Litovsk is approved unreservedly by the members of the reichstag main committee. The members of this committee represent the majority of the parties responsible for the reichstag peace resolution of July 19.

while helping the Russians to force the German government in the direction it has had to take.

"Whatever party might be in power in Russia, it would be compelled to conclude peace, and Trotsky's method is more likely to damage Germany than the method of any more political person in his place. The nationalization of the banks puts a weapon more powerful than the guillotine in the hands of the government and probably will end much of the present sabotage."

The writer forebodes a further leaving of the ministry by men from other parties joining the government.

The Petrograd correspondent of the Times, who is visiting in London, continues his anti-bolshevik statements today. He says it is not unlikely that the Germans, who are now reckoning upon the great advantages they expect from the Russian revolution, will suffer a grievous disappointment, provided the friends of the Russian nation offer it a helping hand.

To Offset Adventurers.

He implies that the Russian people will not continue to submit to German exploitation through bolshevik "adventurers," if a closer union is established between Russia and the entente allies.

German Naval Delegation to Russia Prepared Against Famine.

London, Jan. 1.—The German naval delegation at Petrograd, according to the correspondent of the Daily Mail in the Russian capital, has reached an agreement with the bolshevik government for raising the "blockade" of the White sea and for the regulation of maritime commerce, which is expected to begin with the impending arrival at Revel of ships with goods from Germany. A dispatch to the Daily Express from Petrograd says that German ships already have free access to Russian waters and the government is taking precautions to protect them from British submarines. The first commercial squadron is expected before the Russian Christmas, on Jan. 7.

Special dispatches from Petrograd refer again to the subject of food shortage, which, according to the correspondent of the Daily Mail, is steadily becoming more critical. The correspondent of the Daily News says that the hotel in which he is staying is piled with crates of provisions bearing Berlin stamps. He adds that the German delegation, expecting an immediate famine, brought its own food.

ALLIED AIR RAIDS
ALARMING GERMANS

People Realizing What Other Nations Have Suffered; Explosions Cause Anxiety.

London, Jan. 1.—Allied air raids over Germany are awakening the people to a recognition of their rulers' mistaken air ruthlessness, according to the Amsterdam correspondent of the Times. There is great nervousness throughout Germany, especially in the more exposed parts, he says, owing to the reported intention of the Americans to invade Germany by air. The object is discussed universally, though efforts are made to calm anxiety by declarations about "American bluff."

The frequent explosions in munitions factories, the correspondent adds, are causing the German military authorities anxiety, not only because of the interference with the supply of munitions, but also because of unrest in the districts where the explosions occur. The unrest has been acute since the advent of frost.

WASHINGTON GUIDES
BATTLE FOR FREEDOM

Washington, Jan. 1.—The voice of Washington still resounds against the path to triumph through sacrifice, says President Poincaré of France in a New Year's greeting to the American people, which appears in the New Year edition of the Official Bulletin.

M. Poincaré's message is one of a number received from the heads of the nations associated with the United States in the war against Germany. Others come from King Alexander of Greece, President Menaud of Cuba, President Valdes of Panama, King Peter of Serbia, President Bucara of Bolivia, and President Viera of Uruguay.

"As the year 1917 closes," called the French president, "I look back with emotion to the months just elapsed and to the successive phases of the world struggle and in particular to the entrance of the United States into the war."

"Champions of a common cause, the American people and the French people, whom a fraternity of arms has united in the past, whom it is binding still more closely today, contemplate with unshakable firmness and with the serene consciousness of their duty the liberating task that they have sworn to accomplish in the end. The year 1918 will see the continuation of the sublime effort of the free nations, grouped for the defense of honor and of the pledged word, for the safeguarding of all motherlands great or small against the powers of imperialism and autocracy, whose avowed design it is to dispose of peoples just as they have led them to death—without consulting them."

"The far-off voice of Washington that resounds still, at the threshold of the New Year, as in the heroic hours of yore and the echoes of which are repeated throughout the glorious American Union, France, too, hears it. The illustrious American statesman shows us the path to triumph through sacrifice and, like his eminent successor, President Wilson, seems to say to the nations united for the salvation of humanity: 'Carry on to victory the flag of freedom.'"

Warmer, Says Billy 'Possum.

I've got a thousand resolutions to make today. A thousand faults to counteract. And start a different way. A thousand promises to make. That pile up through the year. But small's the use of swearing off with prices all so dear. The weather? A holiday, with no official question, as R. P. can only express a hope: More moderate and a quick thaw. Happy New Year!

WHEN 'NOISE'.

THIRD AIR RAID
WORKS HAVOC TO
PADUA CHURCHES

German Bombs Destroy Art Treasures—Renaissance Stained Glass Shivered.

Padua, Dec. 31.—(By the Associated Press.)—The third successive night air raid last night scattered havoc among the famous churches and art monuments of Padua. The front of the sixteenth century cathedral was demolished.

The Santo, or the Basilica of St. Anthony, where the body of St. Anthony of Padua is buried, lost its bronze doors, and the sepulchre of St. Anthony was missed narrowly by a bomb.

Donatello's famous equestrian statue of Gen. Gattamelata, which stood in the square before the Santo, had been removed to a place of safety, but the base, also the work of Donatello, was damaged severely.

The paintings and frescoes in the Santo by Titian and other masters were torn and scratched by the concussion. The rose windows and the Renaissance stained glass were shivered to fragments. The building opposite the Santo, where the Guild of St. Anthony issued leaflets to be sent throughout the world, was destroyed.

A pilgrimage to the sepulchre of St. Anthony was in progress when the bomb struck the Santo. The cathedral was struck above the gable facade, the entire gable and the upper part of the facade falling to the street. The raiders came in three different times, at 8 and 11 o'clock at night and at 3 o'clock in the morning. Twenty incendiary bombs were dropped.

FACADE OF PADUA
CATHEDRAL TORN DOWN

Rome, Jan. 1.—The facade of the Padua cathedral has been torn down by bombs dropped by enemy aircraft, the war office announced. The Basilica of the Santo and the municipal museum have been damaged.

Padua was raided for a second time on Saturday night, three persons being killed and three wounded. The ancient Carmine church, the Church of St. Valentine and the Palace monument and private dwellings were damaged.

The Santo Antonio church, commonly called the Santo, is the sepulchral church of St. Anthony of Padua. It has two campanili and seven domes. In the ornate style. This church is visited every year by throngs of pilgrims. The municipal museum has a fine facade and staircase. It contains the civic library and collections of antiquities and paintings.

BANKS ASKED TO
URGE ECONOMY

Washington, Jan. 1.—A campaign to impress the necessity of wartime economy upon the people is urged on the banks of the United States in a New Year's message sent out today by the federal reserve board.

The banks, charged with the duty of promoting thrift in their communities, are asked to tell the people that by economy they serve their country not only in enabling the government and the allies to obtain supplies, but also increase savings which can absorb future war loans.

LAST DAY OF OLD YEAR SEES
ENEMY ATTEMPT TO RUSH LINE

British in Brilliant Counter-Attack on Cambrai Front Succeed in Breaking Down Efforts of German Forces.

British troops, on the Cambrai front, passed the last day of the old year in a desperate and successful fight to break down German attacks. Preceded by liquid fire, the enemy attempted to rush the British positions on a front of 1,200 yards around the Welsh ridge, a commanding position south of Marcoing.

The first rush brought the Germans into trenches on the ridge, but the British, in a brilliant counter-attack, threw the enemy out and restored the position. On the center and northern ends of the attacking line British artillery and rifle repulsed the Germans completely. Elsewhere on the western front there has been only artillery duels.

French troops on the Italian northern front scored a brilliant stroke in the capture of important positions in the Monte Tomba sector, between the Piave and the Brenta. Besides the positions, the French took from the enemy 1,400 prisoners, sixty machine guns and seven large guns.

German airmen continue their raids on Padua. As in the two previous raids, the third attack caused few casualties, but the incendiary bombs did much damage to costly and historic buildings and art objects. The facade of the Cathedral of Padua was blown down. Pope Benedict has protested to the central powers against the raids over Padua and Treviso and asks that they be abstained from in the future.

"I have good hope that before this new year is past the purpose to which we have set our hands will have been completely achieved," says Premier Lloyd George in his New Year's message to the viceroy of India. The advent of 1918 finds the allied forces in strong positions from the North sea to the Adriatic, especially in Flanders and on the Alsace front.

Troops of the bolshevik government have been defeated in a pitched battle in southwestern Russia by the Ukrainians and Cossacks. According to an unofficial report received in Stockholm, the bolsheviks lost 400 prisoners, more than 300 machine guns and eight big guns. The Cossacks are pursuing the retreating bolsheviks.

EXPLOSIONS AT NORFOLK CAUSE SERIES OF FIRES

Loss Estimated at Three-Quarters of a Million—Monticello Hotel Wrecked.

Norfolk, Va., Jan. 1.—A series of fires here today, said to be caused by two explosions, already has destroyed three stores on Granby street, in the heart of the retail district, wrecked the Monticello hotel, with a loss estimated at \$750,000, caused the death of one fireman and the injury of several others, and this afternoon the flames had crossed Granby street from the hotel and already had destroyed two big stores. The entire block appeared to be doomed.

The Dixon hotel, seven stories, opposite the burning block on Granby street, is now burning.

The mayor ordered out the home guards, and from the navy yard 200 marines were called out to guard the wharves and other property.

The cause of the explosions is unknown. While the firemen were compelled to build bonfires about the city hydrants to throw them out, the flames gained great headway. Sparks flying to the roof of the Monticello set the hotel on fire.

While fighting the flames on the sixth floor of the hotel, Charles McCoy, of Track No. 2, was killed, and Louis W. H. Bailey, Houston W. H. Nelson, T. P. Smith, W. J. Monroe and David Matthews were badly burned. Assistant Chief Bunting was slightly injured. The men were caught under the burning timbers when the roof of the dining room fell and were rescued from cremation by their comrades.

Fire later crossed the street from the Monticello and at 2 o'clock nearly had destroyed two big stores. The entire block opposite the hotel appeared to be doomed.

To protect the waterfront and other property, Mayor Mayo called out the home guard.

More than 200 marines were sent from the navy yard at the request of the police department and will assist the local policemen in patrolling the streets and waterfront.

All of the fire-fighting apparatus that could be spared from the navy yard was sent to Norfolk, as has some apparatus from the Portsmouth fire department.

MEXICANS TO
RAID BORDER

Austin, Tex., Jan. 1.—Every available ranger of the Texas force has been dispatched to Alpine and vicinity by Adj. Gen. Harley on receipt of reports that Mexicans were planning a raid over the border near that point.

Austin, Tex., Jan. 1.—It is said that about eighty rangers were ordered to the border. No details have been received here with reference to the trouble.

RUMANIAN MINISTER,
DR. ANGELSCO, ARRIVES

An Atlantic Port, Jan. 1.—Dr. Constantin Angelco, who was recently appointed minister from Rumania to the United States, the first official representative of his country, arrived here today on a French steamer. Dr. Angelco is also the head of a special Rumanian war mission to this country.

FRENCH CAPTURE
LARGE NUMBERS

Magnitude of Achievement Grows as Full Details Are Received.

Italian Headquarters in Northern Italy, Dec. 31.—(By the Associated Press.)—The magnitude of the achievement of the French troops, on the Monte Tomba region, grows as full details are received. In addition to 1,348 men, including forty-four Austrian officers, several of high rank, made prisoner and seven large guns captured, the booty includes sixty machine guns, several trench quick-firers and a great amount of miscellaneous war material.

But the chief significance of the stroke is the change from defensive to offensive tactics, and the stirring enthusiasm and sureness with which the French delivered their initial blow. Thus far the enemy has been on the offensive, with the Italians delivering telling defensive blows.

Now, however, the French have turned the scale and the enemy is being attacked in this sector for the first time since he reached the Piave.

The scene was southeast of Monte Tomba, a low, snowless mountain just west of the Piave, where the allied lines turn into the mountain region. Here the artillery preparations began Saturday, but the main bombardment began at noon Sunday and increased hourly until the enemy was deluged by the French fire.

It was then that the crack French infantry swung forward in steady lines from Osteria di Montebelluna and Maranzine, a front of about two miles. The heaviest forces were on the right wing. Italian and British armies the same time attacked the enemy from the air.

The struggle was comparatively sharp and with most of the fighting on the right wing. The enemy had so damaged the enemy positions that he was unable to make any effective resistance. The French losses were comparatively insignificant.

Austrian soldiers made up the entire enemy force engaged, which is taken to indicate that the German contingents are being moved farther west toward the Brenta river. It also has been established that no forces are being moved away from this front and that no new forces are being brought here.

PRICES OF MEXICAN GOLD
AND SILVER WILL NOT VARY

Mexico City, Jan. 1.—The government announces that the tax on gold and silver produced in Mexico during January will vary only slightly from the rates in force in December. This makes the tax on gold and silver and on other metals about 5 per cent.

A Mexico City dispatch dated Monday said the tax on gold and silver, according to reports current there, would be increased automatically from 5 to 10 per cent. ad valorem on New Year's day.

BRITISH HOLD FOUR
STRONG POSITIONS

London, Jan. 1.—The British now have four strong positions interposed between the enemy and Jerusalem. Instead of the one that existed before the recent Turkish attempt, with German assistance, to retake the city, says today's war office statement on the Palestine operations. The British advance scored north-west of Jerusalem in these operations represents a gain of seven miles.